

- 1 -

SUMMARY

Visiting groups from Russian Satellite States appear to be receiving publicity to the exclusion of visiting Russian groups. Part of this shift may result from efforts to develop trade with the Satellites, but it also may indicate that Russian missions have failed to impress the Chinese people. Claims of successes through Russian technical guidance are widespread, but some lack of enthusiasm for "progressive Soviet experiences" also is apparent.

Charges that America is delaying a Korean truce and attempting to force its demands by military threats suggest that the Chinese people are anxious for an armistice. Boasts that China will continue to resist are tempered by assurances that India and Indonesia oppose America, that the Japanese are rebelling at U.S. defense moves, and that U.S. Air Force officers are refusing to fight in Korea. A widespread effort to expand the preferential treatment program for Armymen's dependents suggests that the problem of caring for dependents is growing more burdensome.

Efforts to build Satellite trade, and bitter denunciation of America for preventing Japanese trade with China, reveal continued commercial troubles, while serious shortages can be detected in economy claims. For example, elimination of truck shipments from Chungking to Kunming, with two extra handlings of all goods involved, suggests, instead, an inability to keep the trucks on the road.

Indications of forced regimentation are numerous, and it is obvious that not everyone is happy at the changes. Junior high school students agree to accept jobs assigned to them, "after indoctrination," and teachers undergoing "ideological remolding" are ordered to "get rid of their unnecessary worry." North China State farms are said to have reached the stage where many farmers are being taught to operate tractors and heavy farm machinery, but in the Southwest the organization of mutual-aid teams, a step toward collectivization of farming, is admittedly facing difficulties.

CONFIDENTIAL